HOUSE

. . No. 2328

| NAME: | DISTRICT/ADDRESS: |
|-------------------------|-------------------|
| William N. Brownsberger | 24th Middlesex |

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

AN ACT TO LIMIT PUBLIC PENSIONS TO A LEVEL RELATED TO LIFETIME EARNINGS.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

- 1 <u>SECTION ONE</u>: Section One of Chapter Thirty-Two of the General Laws of Massachusetts is
- 2 hereby amended by at the end the following new paragraphs:
- 3 "Inflation adjustment reference month", the calendar month including the date ninety days before
- 4 the member's retirement date
- 5 "Monthly inflation-adjusted regular compensation", regular compensation multiplied by a fraction, the
- 6 numerator of which is the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers in
- 7 the United States ("CPI-U") for the inflation adjustment reference month, and the denominator of which
- 8 is the CPI-U for the compensation month; provided that for months or part-months after the inflation-
- 9 reference month, the fraction shall be one.
- 10 "Monthly average inflation-adjusted regular compensation", the sum of the inflation-adjusted regular
- 11 compensation for each month for which the member claims creditable service divided by the number of
- said months.
- 13 "Annualized average inflation-adjusted regular compensation", the monthly average inflation-adjusted
- 14 regular compensation multiplied by twelve.
- 15 "Seniority adjusted real compensation baseline", annualized average inflation-adjusted regular
- 16 compensation multiplied by a sum, the sum being one plus a product, the product being three one
- 17 hundredths times the member's years of creditable service.
- 18 SECTION TWO: Section Five of Chapter Thirty-Two of the General Laws of Massachusetts by inserting
- before the period at the end of subsection (c) by inserting the following words: "nor shall it exceed four-
- 20 fifths of the seniority-adjusted real compensation baseline."